



MEMO

To: Local governmental and Non-profit organizations
From: Teresa Voors, Commissioner of the Indiana Department of Workforce Development
Date: May 13, 2010
Re: Unemployment Insurance Charges for laid-off government and non-profit workers

During these challenging economic times, many organizations face difficult financial decisions. This memo provides information on current law concerning potential government and non-profit workforce reductions and unemployment charges you may be facing. Please share this information with your member organizations.

Your members are most likely considered 'reimbursable employers' in terms of unemployment insurance. These organizations are responsible for reimbursing the state dollar-for-dollar for benefits paid to your eligible former employees. There are currently six tiers of unemployment. Your member organizations will be billed for benefits paid during the first and last tiers. Please refer to the chart below.

Unemployment Program	Max Weeks	Cumulative Weeks	Who Pays for Gov't Employees?
State Unemployment (UI)	26	XX	Government Unit/Non-Profit Pays 100%
Federal Extension 1 (EUC1)	20	46	Federal Government Pays 100%
Federal Extension 2 (EUC2)	14	60	Federal Government Pays 100%
Federal Extension 3 (EUC3)	13	73	Federal Government Pays 100%
Federal Extension 4 (EUC4)	6	79	Federal Government Pays 100%
State Extended Benefits (EB)	20	99	Government Unit/Non-Profit Pays 100%

Indiana pays an average of \$307 per week in benefits. The average Hoosier collects 17 weeks of state unemployment benefits (UI). Using these averages, each laid off government employee could cost your member organizations an average of \$5,219 in benefits.

Additionally, your member organizations constitute part of each employee's base period of employers. Should your former employee accept another job and be laid off in the next 18 months, your organization will be billed for a pro-rated portion of that former employee's benefits, based on the percentage of the individual's total wages that were paid by your organization during the proceeding 18 months.

Should you have any questions about unemployment benefits and potential charges, please contact Michelle Marshel, Deputy Commissioner of Governmental Affairs, Customer Service and Communications at 317-233-1463 or mmarshel@dwd.in.gov.